

DC/IOVRVF/2024-25/5016

DATE: 20.03.2025

[AUTHORITY DELEGATED BY THE MINISTRY OF CORPORATE AFFAIRS UNDER
CLAUSE X, SUB CLAUSE-24(2) OF THE PART-II OF ANNEXURE III OF THE
COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017]

ORDER

This Order disposes the **Show Cause Notice (SCN) No. DC/IOV-RVF/2023-24/4665** dated **03.10.2023** issued **R Velusamy** who is a member of the IOV Registered Valuer Foundation ("**IOV RVF**"), having Membership No. **IOVRVF/VM/L&B/500** and registered with the Insolvency and Bankruptcy Board of India ("**IBBI**"/"**Authority**"), as valuer in asset class Land and Building with the registration no. **IBBI/RV/02/2019/12588**.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that **R Velusamy** is/was falling under the category of 'non-Compliant' from the last three years as he has failed to adhere to compliances procedure/framework laid down by IBBI and IOV RVF. In this regard, matter was referred by Monitoring Committee to the Disciplinary Committee of IOVRVF.
- 1.2. R Velusamy was given ample opportunities to put forth his defence/reply and along with a personal hearing keeping in mind the principles of Natural Justice.

2. Examination of contraventions alleged in the SCN

2.1. The contravention alleged in the SCN is summarized as under: -

- i. **Non-payment of Annual Membership Fee:** As per Rule 11 of Annexure III of Companies (Registered Valuers and Valuation) Rules, 2017 ("**Rules**"), an organization may require the members to pay a fixed sum of money as its annual membership fee. Respondent was given ample opportunities to put forth his defense/reply and along with a personal hearing keeping in mind the principles of Natural Justice. Despite repeated reminders, the member has not paid the annual membership fee for the relevant year(s).
- ii. **Non-filing of M3 i.e. CEP Annual Data and M-4 i.e. Valuation Activity Data:** - As per Rule 16 of Annexure III of Rules, a member shall submit information about ongoing and concluded engagements as a registered valuer, in the manner and format specified by the organisation, at least twice a year stating inter alia, the date of assignment, date of completion and reference number of valuation assignment and valuation report. Further, IOV-RVF also provides procedural framework comprising of collection of the information, record(s) and document(s) both from the Valuer Member(s) and from



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independent sources to monitor the performance of Valuer Member(s) in form of M-3 i.e. CEP Annual Data and M-4 i.e. Valuation Activity Data.

- iii. The member has failed to submit the M-3 and M-4 for the relevant periods.
- iv. **Non-attendance of CPE Programs:** The member has not attended the required number of Continuing Professional Education (CPE) programs for the relevant periods.

2.2. A summary Chart is also re-produced as under: -

COMPLIANCE STATUS FOR F.Y. 2019 - 2024

Financial Year	Annual Membership Fee	M3 Status	M4 (Apr-Sep) Status	M4 (Oct-Mar) Status	CEP Status	Compliance Status
2023-24	NO	Not Filled	Not Filled	Not Filled	Pending	Non-Compliant
2022-23	NO	Not Filled	Not Filled	Not Filled	Pending	Non-Compliant
2021-22	NO	Not Filled	Not Filled	Not Filled	Pending	Non-Compliant
2020-21	NO	Not Filled	Filled	Not Filled	Pending	Semi Compliant
2019-20	YES	Not Filled	Not Applicable	Filled	Complete	Semi Compliant

CEP STATUS FOR F.Y.2019-2024

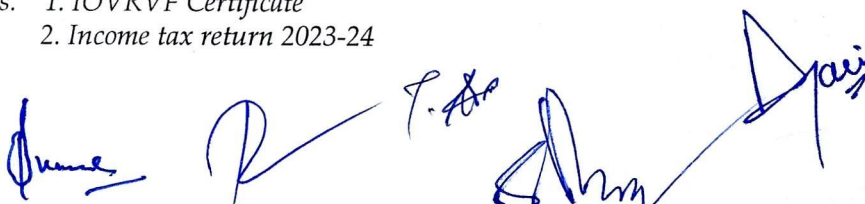
Financial Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending
2019-20	5	5	6	0
2020-21	16	10	0	16
2021-22	16+16= 32	10	0	32
2022-23	32+16= 48	10	0	48
2023-24	48+16= 64	64	0	64

3. Reply from the Registered Valuer

Member in his reply via letter dated 16.10.2023 to the SCN expressed his inability to pay membership fee on account of health issues. In his reply dated 16.10.2023, he submitted as under:

I surrender my membership due to my health conditions. From Covid period my health conditions not well and one more important thing, sir I am a senior citizen age 67. Please accept my surrender membership. I submit details for your information. Thank you

Encls. 1. IOVRVF Certificate
2. Income tax return 2023-24



Further in his reply via email dated June, 28, 2024, he submitted as under :- " I, R. Veluswamy would like to surrender my Membership to IOV RVF- Delhi due to my health conditions and age criteria (68years). I kindly request you to accept my surrender."

4. Findings of the Disciplinary Committee

Disciplinary committee has found that the Registered Valuer is in default of the following provisions of the Valuation Rules:


- 4.1. Rule 11 of Annexure III of Companies (Registered Valuers and Valuation) Rules, 2017 ("Rules"), an organization may require the members to pay a fixed sum of money as its annual membership fee.
- 4.2. Rule 16 of Annexure III of Rules, a member shall submit information about ongoing and concluded engagements as a registered valuer, in the manner and format specified by the Organization, at least twice a year stating inter alia, the date of assignment, date of completion and reference number of valuation assignment and valuation report.
- 4.3. Rules 12(2)(e) of the Rules, an RVO is required to provide continuing education to its individual members. Also, as per IBBI directions on CEP requirement, The RV shall undertake a minimum of 10 CEP credit hours in each Financial Year (FY) and 48 credit hours of CEP in the rolling block of 3 years. The year pertains to the Financial Year i.e. 1st April to 31st March.
- 4.4. Based on the request submitted by the Registered Valuer via letter dated 17.10.2023, RVO accepted his request for surrender of membership and also granted him a relaxation from the total pending Annual Membership Fees. The same was communicated to the Registered Valuer vide letter dt. 27.10.2023 having reference no. DC/IOVRVF/2023-24/4912. Additionally, he was requested to fulfill the pending compliances and return the following original documents:
 - (a) IBBI Registration Certificate
 - (b) 50-Hour Course Completion Certificate
 - (c) Certificate of Membership issued by IOVRVF

In accordance with the principles of natural justice, efforts were made to contact him on his registered mobile number. In response, he again expressed his intention to surrender his membership. However, till date, the Registered Valuer has not undertaken the necessary steps, either to renew or to surrender his membership.

5. Decision

Based on the above finding, the Disciplinary Committee in exercise of power conferred under Clause 24 sub clause 2 (b) and (e) of the Para X of Part II (Model Bye-Laws of a Registered Valuers Organization) of Annexure III of the Companies (Registered Valuers and Valuation) Rules, 2017, hereby: -

- a) Suspend the membership of R Velusamy till the time he completes his pending compliances; and

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b) Refer the matter to the Authority for further appropriate actions as deemed fit.

6. Show Cause Notice, accordingly, is disposed of.

7. Appeal

In case the Registered Valuer is aggrieved by the order passed by the Disciplinary Committee, he may prefer an appeal before the Appellate Authority of IOV RVF within thirty days from the receipt of this order.

8. IBBI

A copy of this order shall be forwarded to IBBI ("Authority") for future course of action.


Given under seal of the Disciplinary Committee of IOV-RVF, this the day of
20th March, 2025



Shri Sunil Kumar
Khosla
Chairman



Shri Ramesh Kumar
Meena
Member-IBBI
Representative



Shri Pichaiya
Subramaniam
Member



Shri Anand Raju
Member



CS Deepali Jain
Disciplinary Officer

CC :-

1. Insolvency and Bankruptcy Board of India
2. Registered Valuer, R Velusamy
3. IOV RVF- Record